

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

IRAN SANCTIONS ACT OF 1996 AMENDMENTS

Mr. FALEOMAVAEGA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 957) to amend the Iran Sanctions Act of 1996 to expand and clarify the entities against which sanctions may be imposed, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION AND EXPANSION OF DEFINITIONS.

(a) PERSON.—Section 14(13)(B) of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended to read as follows:

“(B)(i) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization;

“(ii) any foreign subsidiary of any entity described in clause (i); and

“(iii) any governmental entity operating as a business enterprise, such as an export credit agency; and”.

(b) PETROLEUM RESOURCES.—Section 14(14) of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended by inserting after “petroleum” the second place it appears the following: “, petroleum refining capacity, liquefied natural gas,”.

(c) CONSTRUCTION.—The amendments made by this section shall not be construed to require the imposition of any measure under section 5 of the Iran Sanctions Act of 1996 against any natural person or other entity that is not specifically described in section 14(13) of that Act, as amended by this section.

SEC. 2. APPLICATION TO SUBSIDIARIES.

(a) IN GENERAL.—Except as provided in subsection (b), in any case in which an entity engages in an act outside the United States which, if committed in the United States or by a United States person, would violate Executive Order No. 12959 of May 6, 1995, Executive Order No. 13059 of August 19, 1997, or any other prohibition on transactions with respect to Iran that is imposed under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) and if that entity was created or availed of for the purpose of engaging in such an act, the parent company of that entity shall be subject to the penalties for such violation to the same extent as if the parent company had engaged in that act.

(b) EXCEPTION.—Subsection (a) shall not apply to any act carried out under a contract or other obligation of any entity if—

(1) the contract or obligation existed on May 22, 2007, unless such contract or obligation is extended in time in any manner or expanded to cover additional activities beyond the terms of the contract or other obligation as it existed on May 22, 2007; or

(2) the parent company acquired that entity not knowing, and not having reason to know, that such contract or other obligation existed, unless such contract or other obligation is extended in time in any manner or expanded to cover additional activities beyond the terms of such contract or other obliga-

tion as it existed at the time of such acquisition.

(c) CONSTRUCTION.—Nothing in this section shall be construed as prohibiting the issuance of regulations, orders, directives, or licenses under the Executive orders described in subsection (a) or as being inconsistent with the authorities under the International Emergency Economic Powers Act.

(d) DEFINITIONS.—In this section—

(1) the term “entity” means a partnership, association, trust, joint venture, corporation, or other organization;

(2) an entity is a “parent company” of another entity if it controls, directly or indirectly, that other entity and is a United States person; and

(3) the term “United States person” means any United States citizen, any alien lawfully admitted for permanent residence to the United States, any entity organized under the laws of the United States, or any person in the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from American Samoa (Mr. FALEOMAVAEGA) and the gentlewoman from Florida (Ms. ROS-LEHTINEN) each will control 20 minutes.

The Chair recognizes the gentleman from American Samoa.

GENERAL LEAVE

Mr. FALEOMAVAEGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days with which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from American Samoa?

There was no objection.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise in strong support of this resolution and yield myself such time as I may consume.

Mr. Speaker, I want to thank the distinguished chairman of the Foreign Affairs Committee, the gentleman from California (Mr. LANTOS) and our distinguished senior ranking member, Ms. ROS-LEHTINEN, for their sponsorship of this bipartisan measure and for their leadership on the issue of Iran.

The dangerous Iranian regime presents us with the overriding long-term issue facing the entire Middle East. The scoundrel, Mahmoud Ahmadinejad, and his theocratic cohorts are working to destabilize security worldwide with their nuclear weapons program. They are targeting Israel specifically through sponsorship of terror groups. And according to Tehran's own claims, several batteries of missiles.

So the most important foreign policy security aim of the United States Government must be to prevent nuclear weapons from ever falling into the hands of Iran. It would destabilize the entire world. That is why the Foreign Affairs Committee has repeatedly passed bills to choke the regime in Tehran so it never gets to that point.

If there is one long-term lesson of the Iraq war, Mr. Speaker, it is that all other means must be exhausted before military use is employed. This is what we aim to do in the Iran issue, tough sanctions, cooperation with our allies, and diplomacy.

The amendment to the Iran Sanctions Act before the House today restores text that was in the original version of the Iran Sanctions legislation passed overwhelmingly by the House last session. Unfortunately, following White House negotiations with the Republican majority at the time, this provision was removed from a subsequent version of the bill that actually became law.

This amendment plugs critical loopholes, actual and potential, for the current legislation that could allow Iran to conduct an end-around on our sanctions. The legislation is intended to truly and fully deprive Iran of revenue it needs to fuel its nuclear weapons program.

The bill before us would fortify current law and enhance the ability of our government to deter foreign investment in Iran's energy industry. It expands the definition used to apply to businesses so that we may restrict anyone and everyone intending to help fuel Iran's sham of an energy industry.

It is more than lamentable that the administration, in fact, has never once availed itself of the potent tools that the Iran Sanctions Act offers to deter such investment. But the administration can rest assured that we will hold its feet to the fire in this session.

For the sake of U.S. interests and for world peace, both the executive branch and the Congress must do everything in its power to prevent the emergence of a nuclear-armed Iran. Congress cannot do it alone. So it is for these reasons that I again commend my dear friend, the ranking member, Ms. ROS-LEHTINEN, for her cosponsorship of this bipartisan legislation and her leadership in the noble effort to prevent a fanatical regime from acquiring nuclear weapons has been outstanding.

As a member of the Foreign Affairs Committee, I am proud to be part of that effort. I strongly support this legislation, and I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

All of us know, Mr. Speaker, that Iran is a growing threat to the region and to U.S. national security interests.

Iran's record for supporting Islamic extremists is dangerously supplemented by its continued violation of its nonproliferation obligations, its mockery of the International Atomic Energy Agency process, and its continued defiance of the United Nations Security Council's demands to halt its nuclear enrichment and reprocessing program.

Just last week, Iran's chief nuclear negotiator, Ali Larijani, told Britain's newspapers, the Independent and the Guardian, that uranium enrichment was “like breathing” for his country, and that Iran would not halt the spinning centrifuges at its main enrichment plant at Natanz, even if the Bush

administration offered security guarantees.

We could just wait for further action from the United Nations to counter the Iranian threat, but even the Iranian regime is aware of the influence of Russia and China at the U.N. Security Council and the refusal of some of our European and Asian allies to sacrifice commercial interests for the sake of nonproliferation.

□ 1415

Just last Wednesday, Iranian leader Ahmadinejad said that U.N. resolutions could not prevent Iran from obtaining nuclear technology. He stated, "Let's say that they issue Resolution Number 300. What will happen? It should be remembered that Iran is obtaining nuclear technology. They will have to eventually accept that."

Well, for almost 5 years, Mr. Speaker, Iran has been manipulating the so-called international community buying time to expand, to strengthen and to hide its nuclear activities. In fact, recent public reports further document the construction of a major tunnel complex inside the mountain near the Iranian facility at Natans, near the fortified buildings where the Iranian uranium is reportedly being processed.

This clearly illustrates the frenetic and advanced nature of that regime's nuclear weapon pursuit and should increase our sense of urgency. But the regime's pursuit of these destructive policies has one weakness: Iran's energy infrastructure. Iran's economy and its ability to influence events is heavily dependent on the revenues derived from energy exports. As such, recent U.S. efforts to prevent Iran from acquiring weapons of mass destruction have focused on deterring and prohibiting investments in Iran's petroleum sector.

U.S. law prohibits American firms from investing in Iran. In addition, the Iran Sanctions Act seeks to influence responsible nations to stop their investment in Iran's energy sector, that is the economic lifeline of the regime, by calling for sanctions on those entities. Unfortunately, due to lack of enforcement, lack of commitment from some of our allies, foreign entities which fall outside of the jurisdiction of our country continue to invest in Iran, helping to fill the coffers, enabling the regime in Tehran to pursue not just a nuclear capability, but a chemical and biological program, long-range ballistic missiles and, as all of us know, they are a state sponsor of global Islamic extremism and terrorism.

As part of their effort to isolate Iran and deprive it of its revenues, it needs to fund its nuclear weapons program. My distinguished colleague, Chairman LANTOS, and I introduced the Iran Freedom Support Act, which was enacted into law in September of last year. This legislation strengthens sanctions against those who invest in Iran's petroleum sector, the economic lifeline of the Iranian regime. However, the

final version of the law did not include language that would make export credit agencies, insurers and other financial institutions subject to sanctions for their facilitation of investments in Iran's oil industry.

The bill before us, Mr. Speaker, H.R. 957 seeks to close this loophole. The imminent need to close this loophole and to compel responsible nations to do the right thing was clearly articulated in February of this year by Ambassador George Schulte, the chief U.S. representative to the International Atomic Energy Agency. Ambassador Schulte called on European governments to stop giving credits to subsidize exports to Iran and to take more measures to discourage investment and financial investment with Iran.

It is my hope that, despite the clarifications included in the suspension text at the request of other committees, that H.R. 957 is applied vigorously against those governments that claim to support our efforts to stop Iran's nuclear pursuit but fail to take tangible actions to deny the regime the resources to continue along this destructive and dangerous path.

H.R. 957 also seeks to expand the activities covered under the law to include petrochemicals and liquefied natural gas. Concerns were raised that existing law required the clarification that sanctions under the ISA should apply to certain foreign subsidiaries of U.S. companies; therefore, H.R. 957 expands and extends the applications to U.S. foreign subsidiaries as defined in the bill.

This is a straightforward bill with a simple purpose: to enhance our ability to deprive Iran of the revenue it needs to fund its nuclear weapons and to secure greater cooperation from European, Asian, Russian and other allies to cut off the flow of funds to Iran. Responsible nations must immediately stop their multi-million, and in some cases billion, dollar investments in Iran's energy sector.

Mr. Speaker, I strongly urge my colleagues to support this critical bipartisan measure to confront the Iranian threat.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 4 minutes to my good friend, the gentleman from California (Mr. SHERMAN), one of the senior members of the House Foreign Affairs Committee and the chairman of the Subcommittee on Terrorism, Nonproliferation, and Trade.

Mr. SHERMAN. Mr. Speaker, we talked earlier today about the Iran Sanctions Enabling Act. The purpose of that bill and the purpose of this bill is to change the behavior of multinational corporations so as to change the behavior of the Iranian Government.

This effort began perhaps with the Iran-Libya Sanctions Act over a decade ago. It worked so well vis-a-vis Libya, that we have renamed it the Iran Sanc-

tions Act, as Libya has, indeed, changed its behavior. It is important that we clarify the law. The sponsor of the bill, the gentlelady from Florida indicated that this bill makes a number of important improvements to the Iran Sanctions Act.

The first is to indicate that it covers financial institutions, insurers, LLCs and other business entities; second, that when we talk about investments in the petroleum sector, that term includes refining petroleum and it includes development of liquefied natural gas.

Finally, I want to thank the gentlelady from Florida for including language in this bill that I had previously gotten into the Iran Freedom Support Act that was passed last year but which was dropped in conference. I want to thank her for putting it in this bill. That language deals with subsidiaries of U.S.-based multinationals. We currently have a ban on U.S. companies doing business with Iran, a ban on most transactions and investments. But some U.S.-based multinationals have used as a loophole through those regulations, through existing law, their foreign subsidiaries. What this bill would do is apply basic U.S. sanctions to all the entities controlled by multinational corporations based in the United States.

As to contracts existing on May 22, 2007, those contacts would have to be wound up at the earliest opportunity and could not be extended to cover additional activities. We then face the issue of what happens when a U.S.-based multinational buys a company that is incorporated abroad and that company already has preexisting contracts with or in Iran.

The activities of such subsidiaries would have to be wound up at their earlier possible opportunity, but furthermore, the U.S. buyer could not even buy that foreign company if the U.S. buyer knew that the company had contracts with the Government of Iran.

The message is clear: If you are building a company abroad and you think you might want to sell it to a U.S.-based multinational, do not have that company do business with Iran; otherwise, it will not be a company that can be easily acquired by a U.S.-based multinational.

This bill is an important part of an overall effort to put economic pressure on the Government of Iran and to let the Iranian elites and people know that they need to desist from their nuclear weapons program.

Also coming before this Congress, I hope soon, will be H.R. 1400, the Iran Counterproliferation Act, which also strengthens the Iran Sanctions Act and whose sponsor is sitting right here with us, the chairman of the Foreign Affairs Committee, Mr. LANTOS.

We have to call upon the administration to actually enforce the Iran Sanctions Act. Since 1998, despite overwhelming evidence, no company has been identified by the United States

Department of State as having \$20 million of investment in the Iranian oil sector which triggers the Iran Sanctions Act. It is time for the administration to stop ignoring existing law. It is time to strengthen existing law.

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to yield such time as he may consume to my good friend from New Mexico (Mr. PEARCE), a member of the Financial Services Committee.

Mr. PEARCE. Mr. Speaker, I thank the gentlewoman from Florida for yielding, and the gentleman, the chairman, for his work on this important bill.

Mr. Speaker, I would tell you that political pressure is one level of magnitude. But financial and business pressures are of another magnitude if we cannot get the attention of Iran in any other way when we should exert every means possible, but beginning with business pressures, they are certainly ones that we should consider.

I was in Israel earlier this year, and an Israeli said, frankly and point-blank, this was the minority party and the majority party both, separately, each said, the world needs to take care of the Iranian problem. They said that Iran, late in the summer, was going to pass points in their nuclear program that could not be gone back past, that once they passed those, then they have the capability to strike. They expressed deep reservations and deep concern about the inactivity of the entire world and urged us to come back and do things.

It is, again, a very great bipartisan effort that we begin to ratchet the pressure up on the Iranian Government to say that you cannot act like this in the current world, it will just not be tolerated, and that the pressures will be extreme, we will increase those pressures. But I thank both the gentlewoman from Florida and the gentleman for their work on this important issue.

Mr. Speaker, I urge all my colleagues to vote for this particular bill.

Mr. HERGER. Mr. Speaker, I rise in support of H.R. 957.

On May 23, 2007, the International Atomic Energy Agency, IAEA, reported that Iran is continuing to enrich uranium in blatant defiance of three U.N. resolutions. The IAEA also concluded that Iran could develop nuclear weapons in as few as three years. Iran's President has called for Israel to be, and I quote, "wiped off the map." The prospect of this extreme regime developing nuclear arms represents a grave threat to the United States and its allies in the Middle East, Europe, and globally.

I believe the international community must stand united against Iran. We and our allies must do everything possible on a multilateral basis—diplomatically, politically, and economically—to prevent Iran from acquiring nuclear arms capability. The United Nations, in particular, must adopt additional, stronger measures to stop this hostile regime dead in its tracks.

Although I question the effectiveness of unilateral sanctions, I believe that drafted cor-

rectly, they can occasionally provide a useful supplement to multilateral efforts. H.R. 957 is one such occasion, as it maintains the President's discretion under IEEPA to consider on a situation-by-situation basis whether the imposition of unilateral sanctions would be the wisest course.

For these reasons, I urge support of H.R. 957.

Mr. FALEOMAVAEGA. Mr. Speaker, again, I want to commend the gentlewoman from Florida as the author of this bipartisan legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from American Samoa (Mr. FALEOMAVAEGA) that the House suspend the rules and pass the bill, H.R. 957, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. ROS-LEHTINEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SENSE OF CONGRESS REGARDING HIGH LEVEL VISITS BY OFFICIALS OF TAIWAN

Mr. FALEOMAVAEGA. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 136) expressing the sense of Congress regarding high level visits to the United States by democratically-elected officials of Taiwan, as amended.

The Clerk read the title of the concurrent resolution.

The text of the concurrent resolution is as follows:

H. CON. RES. 136

Whereas, for over half a century, a close relationship has existed between the United States and Taiwan, which has been of enormous political, economic, cultural, and strategic advantage to both countries;

Whereas Taiwan is one of the strongest democratic allies of the United States in the Asia-Pacific region;

Whereas it is United States policy to support and strengthen democracy around the world;

Whereas, during the late 1980s and early 1990s, Taiwan made a remarkable transition to a full-fledged democracy with a vibrant economy and a vigorous multi-party political system that respects human rights and the rule of law;

Whereas in spite of its praise for democracy in Taiwan, the United States Government continues to adhere to guidelines from the 1970s that bar the President, Vice President, Premier, Foreign Minister, and Defense Minister of Taiwan from coming to Washington, DC;

Whereas these restrictions deprive the President, Congress, and the American pub-

lic of the opportunity to engage in a direct dialogue regarding developments in the Asia-Pacific region and key elements of the relationship between the United States and Taiwan;

Whereas whenever high-level visitors from Taiwan, including the President, seek to come to the United States, their request results in a period of complex, lengthy and humiliating negotiations;

Whereas lifting these restrictions will help bring a United States friend and ally out of its isolation, which will be beneficial to peace and stability in the Asia-Pacific region;

Whereas in consideration of the major economic, security, and political interests shared by the United States and Taiwan, it is to the benefit of the United States for United States officials to meet and communicate directly with the democratically-elected officials of Taiwan;

Whereas since the Taiwan Strait is one of the flashpoints in the world, it is essential that United States policymakers directly communicate with the leaders of Taiwan; and

Whereas section 221 of the Immigration and Nationality Technical Corrections Act of 1994 (8 U.S.C. 1101 note) provides that the President or other high-level officials of Taiwan may visit the United States, including Washington, DC, at any time to discuss a variety of important issues: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) restrictions on visits to the United States by high-level elected and appointed officials of Taiwan, including the democratically-elected President of Taiwan, should be lifted;

(2) the United States should allow direct high-level exchanges at the Cabinet level with the Government of Taiwan, in order to strengthen a policy dialogue with Taiwan; and

(3) it is in the interest of the United States to strengthen links between the United States and the democratically-elected officials of Taiwan and demonstrate stronger support for democracy in the Asia-Pacific region.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from American Samoa (Mr. FALEOMAVAEGA) and the gentlewoman from Florida (Ms. ROS-LEHTINEN) each will control 20 minutes.

The Chair recognizes the gentleman from American Samoa.

GENERAL LEAVE

Mr. FALEOMAVAEGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from American Samoa?

There was no objection.

□ 1430

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of this resolution, and I would first like to commend the gentleman from Ohio (Mr. CHABOT) for introducing this important resolution.

Mr. Speaker, Taiwan was once a politically backward, authoritarian state